

August 15, 2019

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

Re: **Reply Comments**
In the Matter of Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports – Docket No. 19-035-28

On July 2, 2019, the Public Service Commission of Utah (“Commission”) issued a Notice of Filing and Comment period in the above referenced matter, allowing parties to file comments by July 31, 2019, and reply comments by August 15, 2019. The Division of Public Utilities (“DPU”) and Office of Consumer Services (“OCS”) filed comments July 31, 2019, and Utah Clean Energy (“UCE”) and Southwest Energy Efficiency Alliance (“SWEEP”) filed joint comments the same day. DPU’s and OCS’ comments recommend acknowledgement of the filing. UCE/SWEEP’s comments support the Company’s filing with additional requests. Rocky Mountain Power (the “Company”) provides these reply comments in response to UCE/SWEEP’s comments.

UCE/SWEEP are concerned that the Company underspent its 2018 budget, even though the Company over-achieved its energy savings targets relative to the Integrated Resource Plan (“IRP”). UCE/SWEEP requested that the Company explain why it underspent the 2018 DSM budget, and what, if any, measures the Company is taking to ensure that its 2019 forecasted budget will be fully spent on cost-effective DSM programs.

The Company underspent its 2018 budget while over-achieving the IRP prescribed targets due to efficient spending. Spending less while still achieving DSM acquisition targets increases program cost-effectiveness and creates downward pressure on rates, reducing rate increases for customers. Because of the Company’s efficient spending on DSM programs, customers have enjoyed the benefits of several rate decreases and refunds in recent years. For example, in Docket No. 18-035-T05, the Commission authorized the Company to decrease customer rates by 0.12 percent and issue a \$14.5 million refund to customers in 2019. The Company believes that spending an additional \$14.5 million on DSM programs beyond the prescribed IRP targets would not be in the public interest. Customers deserve to have all funds collected for energy efficiency programs to be spent prudently and cost-effectively on IRP prescribed DSM acquisition as a lowest cost resource.

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Regarding the 2019 forecasted budget, the Company is currently under forecasted year to date. The reasons for the under forecast include a slowdown in the non-residential sector, 2019 being a contract year for the Company (e.g. new contracts are being executed with new vendors for program administration, which causes some deceleration during transition), and increased material costs due to federal trade tariffs.

UCE/SWEEP also requested that the Company work with the DSM Steering Committee to identify a shortlist of cost-effective DSM programs that can be rapidly deployed. The Company will add this as an agenda item to a future Steering Committee meeting as part of its on-going discussions for DSM strategy to achieve cost-effective energy savings, as well as options being looked at to help achieve the 2019 targets.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael S. Snow
Manager, DSM Regulatory Affairs

CERTIFICATE OF SERVICE

Docket No. 19-035-28

I hereby certify that on August 15, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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